



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Representatives Present During the Inspection:

Company	Gary E. Gray	Resident Agent
OGM	Karl Houskeeper	Environmental Scientist III
USFS	Tom Lloyd	Ferron-Price District Geologist
USFS	Jeff Alexander	Acting Branch Chief
USFS	Katherine Foster	Hydrologist
USFS	Julie Gott	Hydrologist
USFS	Dale Harber	Forest Geologist
USFS	Cathy Dодt-Ellis	Physical Scientist

Permittee: **GENWAL RESOURCES INC**

Operator: **GENWAL RESOURCES INC**

Site: **CRANDALL CANYON MINE**

Address: **PO BOX 1077, PRICE UT 84501**

County: **EMERY**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

Current Acreages

5,195.80	Total Permitted
10.70	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- ☒ Federal
☐ State
☐ County
☐ Fee
☐ Other

Types of Operations

- ☒ Underground
☐ Surface
☐ Loadout
☐ Processing
☐ Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Pending Amendments: South Crandall Lease Revision Task ID #2084. Modification to Lease U-68082 Task #2132 is now Task #2154 and was approved on 2/28/2005.

The complete inspection was conducted as a joint inspection with the USFS. The following representatives were present from the USFS:

Tom Lloyd, District Geologist
Dale Harber, Forest Geologist
Katherine Foster, Hydrologist
Julie Gott, Hydrologist
Jeff Alexander, Acting Branch Chief
Cathy Dодt-Ellis, Physical Scientist Tech.

Inspection Report

Permit Number:	C0150032
Inspection Type:	COMPLETE
Inspection Date:	Tuesday, May 10, 2005
Start Date/Time:	5/10/2005 10:00:00 AM
End Date/Time:	5/10/2005 3:00:00 PM
Last Inspection:	Tuesday, April 12, 2005

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Overcast, Rain to Sleet, Temp 45 Deg F

InspectionID Report Number: 604

Accepted by: pgrubaug
5/16/2005

Inspector's Signature

Date

Tuesday, May 10, 2005

Karl Houskeeper, Environmental Scientist III

Inspector ID Number: 49

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Permit Number: C0150032
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 Inspection Date: Tuesday, May 10, 2005

Inspection Continuation Sheet

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The DOGM permit is effective 03/28/2005 and expires 05/13/2008. Other documents include the following:

- Certificate of Insurance issued 07/01/2004 and terminates 07/01/2005.
- Reclamation agreement is dated April 1998 and is signed by both parties.
- UPDES permit UT0024368 effective 09/01/2000 and expires midnight 08/31/2005.
- Air Quality permit DAQE-AN0225003-03, issued 03/20/2003.
- SPCC Plan dated 09/18/2004.

Pending Amendments: South Crandall Lease Revision Task ID #2084. Modification to Lease U-68082 Task #2132 is now Task #2154 and was approved on 2/28/2005.

2. Signs and Markers

The Mine ID sign is posted at the entrance to the permit area from the forest service road. The sign contains the name, permit ID #, address, and phone number of the operator. All other signs and markers observed during the inspection met the coal rules.

4.a Hydrologic Balance: Diversions

A small amount of coal is in the diversion by the Crusher Building, resulting from a coal spill from the transfer belt. The pad area also contains coal from the spill.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The pond maps do not accurately reflect the structure, since the most recent pond cleaning. The permittee has been in contact with Division personnel to resolve this problem. This issue should take a high priority to be resolved as soon as possible.

The annual inspection was conducted on 12/20/04 and a report was generated on 3/30/05 that is P.E. certified. The last inspection of the sediment pond was done on 4/24/05.

4.c Hydrologic Balance: Other Sediment Control Measures

During a joint inspection with the Forest Service (USFS) several silt fences, straw bale structures, and culvert inlets and outlets were viewed. These sediment control structures are all within the USFS area of responsibility. The USFS plans to prepare a letter of their findings and send it to the operator.

4.d Hydrologic Balance: Water Monitoring

Fourth quarter 2004 water monitoring information is in the EDI website and uploaded. Information for the first quarter 2005 water monitoring has been collected, but still needs to be entered into the EDI website. Water monitoring is current.

4.e Hydrologic Balance: Effluent Limitations

The discharge monitoring reports did not show any exceeded parameters.

8. Noncoal Waste

Noncoal waste items within the DOGM permit area were all contained within the approved storage facility. Noncoal waste items were found in abundant quantities along the USFS service road, and adjacent to the service road. This issue will be addressed by the USFS in their letter to the operator.

16.a Roads: Construction, Maintenance, Surfacing

The USFS identified several areas of concern on their service road that require maintenance. These concerns will be presented to the operator in a USFS letter.

16.b Roads: Drainage Controls

The USFS has several areas of concern from drainage off their service road and the way the drainage is controlled and treated. These concerns will be presented to the operator in a USFS letter.

18. Support Facilities, Utility Installations

The crusher and transfer belt area has a coal spill that needs to be cleaned up and placed back on the storage pile.

20. Air Quality Permit

Approval Order DAQE-827-01 was modified on March 20, 2003. This modification allowed additional coal handling equipment (conveyors) for the South Crandall Portals. The new approval order, DAQE-AN0225003-03, is effective March 20, 2003.

21. Bonding and Insurance

Insurance is provided through Federal Insurance Co. policy #3710-95-29. The policy meets the minimum coverage requirements, has explosion coverage, contains the proper language in the notification clause, and shows the State of Utah as the certificate holder.

The bonded amount for the Crandall Canyon Mine is \$1,654,000, bond #14-96-15.

22. Other

The SPCC plan has been reviewed by the permittee and re-certified by a registered P.E. on September 18, 2004.